



Press Release

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L&T Mutual Fund Launches “L&T Short Term Debt Fund”

NFO opens on Wednesday, Dec 7th, 2011

NFO closes on Wednesday, Dec 21st, 2011

Mumbai, Dec 7, 2011: L&T Mutual Fund, the asset management arm of L&T Finance Holdings launched a new debt scheme - “L&T Short Term Debt Fund”, aimed at both retail and institutional investors.

L&T Short Term Debt Fund is an Open Ended Debt Scheme. The Scheme would invest between 65% to 100% of its corpus in Debt and Money Market Instruments with residual maturity upto 24 months, having low risk profile. Further, a maximum of 35% of the corpus of the Scheme could be invested in Debt Instruments with residual maturity greater than 24 months and less than 60 months having low to medium risk profile. The average maturity of the Portfolio of the Scheme shall not exceed 3 years.

Commenting on the new fund launch, **Mr. Ved Prakash Chaturvedi, Chief Executive - Capital Markets & Investment Management Group, L&T Finance Holdings Ltd.** said, “The fixed income market seems to be poised at an interesting juncture. Expected trends in interest rates will provide investors with an opportunity to invest in more actively managed funds.

The Portfolio of the Scheme could comprise of CD's, CP's, government securities, money market and other debt/ fixed income instruments having shorter term maturity.

About L&T Mutual Fund

L&T Mutual Fund is Sponsored by L&T Finance Ltd., incorporated as Non Banking Finance Company in November 1994. L&T Mutual Fund serves the investment needs of investors through a suite of mutual fund schemes. With proficient investment management practices and an equally competent fund management team, L&T Mutual Fund endeavors to enable its investors reach their financial goals. L&T Mutual Fund is present in 56 cities through its network of dedicated 58 branches.

The details of the Scheme are	
NFO Opens on	December 7, 2011
NFO Closes on	December 21, 2011
Minimum Application Amount (First Purchase) (During NFO and after Scheme opens for repurchase and sale) Applicable for all Options ie., Growth, Dividend*, Quarterly Dividend and Bonus Options * The Trustee reserves the right to fix the frequency of dividend under this Option.	A minimum of Rs. 5,000/- per application and in multiples of Re. 1/- thereafter
Entry Load[^]	Nil
Exit Load[^]	For all investments: 0.5% - if redeemed <= 6 Months; Nil if redeemed > 6 months
Asset allocation	65% to 100% allocation towards debt and money market instruments with residual maturity upto 24 months and 0% to 35% in debt instruments with residual maturity greater than 24 months and less than 60 months The Scheme may invest in securitized debt up to 50% of the portfolio. The Scheme shall have derivatives exposure as per the SEBI/ RBI Guidelines issued from time to time. Further, the Scheme may undertake Interest rate derivatives transactions for the purpose of hedging and portfolio rebalancing (within the permissible limits specified by RBI/ SEBI from time to time). The average maturity of the Portfolio of the Scheme shall not exceed 3 years.
Benchmark:	CRISIL Short Term Bond Fund Index

* Please refer SID / KIM of the scheme for full details on Load Structure, Asset Allocation

Statutory Details: L&T Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by L&T Finance Limited, Sponsor/ Settlor (liability restricted to the seed corpus of Rs. 1 lakh) with L&T Mutual Fund Trustee Limited as the Trustee Company and L&T Investment Management Limited as the Investment Manager. **Risk Factors: All investments in mutual funds and securities are subject to market risks and the NAV of the Scheme of the Fund may go up or down depending upon the factors and forces affecting the securities market. Investment in mutual fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund. L&T Short Term Debt Fund do not in any manner indicate either the quality of the Scheme or its future prospects and returns; and is only the name of the Scheme. There can be no assurance that the objectives of the Scheme/ Mutual Fund will be achieved. Scheme Specific Risk Factors: Investment in the Scheme shall be subject to various risks including but not limited to risk associated with: Investment in Bonds and Fixed Income Securities such as Performance Risk, Credit Risk, Reinvestment Risk, Interest Rate Risk, Investment in**

Derivatives, Securitized Debt, etc. Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing. Investment objective and classification: L&T Short Term Debt Fund (An Open Ended Debt Scheme): The investment objective of the Scheme is to generate returns for investors with a short-term investment horizon by investing in fixed income securities of shorter term maturity. **Load Structure:** Entry Load: Nil, Exit Load: 0.5% - if redeemed \leq 6 months; Nil - if redeemed $>$ 6 months. Bonus units and units issued on reinvestment of dividends shall not be subject to exit load. The investor is requested to check the prevailing load structure of the Scheme before investing. **Asset Allocation:** Debt and Money Market Instruments with residual maturity upto 24 months: 65%–100%, Debt Instruments with residual maturity greater than 24 months and less than 60 months: 0%–35%. The Scheme may invest in securitized debt up to 50% of the portfolio. The Scheme shall have derivatives exposure as per the SEBI/ RBI Guidelines issued from time to time. Further, the Scheme may undertake Interest rate derivatives transactions for the purpose of hedging and portfolio rebalancing (within the permissible limits specified by RBI/ SEBI from time to time). The average maturity of the Portfolio of the Scheme shall not exceed 3 years. Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as may be amended from time to time. The gross investments in securities under the Scheme which includes Debt, Money Market Instruments including Securitized debt & Derivatives shall not exceed 100% of net assets of the Scheme. However, following will not be considered while calculating the gross exposure: a) Security-wise hedged position and b) Exposure in Cash or cash equivalents with residual maturity of less than 91 days. The exposure to derivatives will be calculated on notional value of the derivative contracts. **Terms of issue and mode of sale and redemption of units:** Units of the Scheme are being offered at Rs. 10/- per unit during NFO and at NAV based prices, subject to the prevailing loads, upon re-opening. The AMC shall calculate and publish the NAV of the Scheme on all Business Days. Investors are requested to note that ASBA facility is also available as an additional mode of payment during NFO. Units of the Scheme can also be transacted in demat mode (only) on the Mutual Fund Service System (MFSS) of NSE and/ or (StAR MF) of BSE. SID, SAI, Key Information Memorandum and Application Forms are available at offices/ branches of the AMC or CAMS Service Centres (CSCs) Distributors and at Mutual Fund website www.lntmf.com.